GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:1962
ANSWERED ON:08.03.2006
ROYALTY ON COAL
Mahto Shri Tek Lal

Will the Minister of COAL be pleased to state:

(a) whether the Government has given any assurances to Jharkhand and Chhattisgarh to fix the royalty on coal on the basis of coal prices;

(b) if so. the current rate of royalty on coal alongwith the likely revised rate and the time by which the revised rate is likely to be made effective;

(c) the reasons for the delay in implementing the revised rates of royalty; and

(d) the estimated amount of profit to be accrued to these States as a result of the revised rates of royalty on coal?

Answer

MINISTER OF STATE FOR COAL (DR. DASARI NARAYANA RAO)

(a) & (b) The various State Governments, including the State Government of Jharkhand and Chhattisgarh have requested for revision of rates of royalty on coal. The Central Government has intimated them that a Committee under the Chairmanship of Additional Secretary, Ministry of Coal has been set up on 02.06.2005 to consider the revision of rates of royalty on coal and lignite. The Committee has obtained the views/comments of various stake holders. The current rates of royalty are as under:-

(Rs. pertonne)

Coal Group	Coal Royalty Rates w.e.f. 13.02.1981	Coal Royalty rates w.e.f. 16.8.2002
Group-I Coking Coal SG-I, il WG-I	7.00	250.00
Group-II Coking Coal WG-II,1II Non-coking A,B Semi-coking Gr.-I Semi-coking Gr.-Ii	6.50	165.00
Group-III Coking Coal WG-1V,Non-coking-C	5.50	115.00
Group-IV Non-coking D,E	4.30	85.00
Group-V Non-coking F,G	2.50	65.00
Group-VICoal produced in A.P.		90.00

These rates are applicable to the State Government of West Bengal as they have been levying cess.

(c) As per Section-9(3) of the Mines and Minerals (Development and Regulation) Act, 1957 the Government can enhance the rate of royalty on coal only after three years. The Government revises the rate of royalty on coa! after taking into consideration the views of all

stake holders viz. the coal producing States, the major coal consumers and keeping in mind the impact of such revision on the overall economic growth of the country. The Committee is yet to submit its report to the Government.

(d) Does not arise in view of answer given in part (c) of the question.